

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

VERUSCHKA LLC n/k/a
Bellatalia LP,
Movant,

v.

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,
Respondent.

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MISC. CASE NO. H-05-285

ORDER

This case is before the Court on Veruschka LLC n/k/a Ballatalia LP's ("Ballatalia") Motion for Order Pursuant to Customer Challenge Provisions of the Right to Financial Privacy Act ("RFPA") of 1978 ("Motion to Quash") [Doc. # 1], to which the Securities and Exchange Commission ("SEC") has filed its Opposition [Doc. # 3]. Ballatalia did not file a Reply to the SEC's Opposition.

In support of its Motion to Quash, Ballatalia submitted the sworn statement of its managing partner, Ryan Reynolds, stating summarily that the subpoena is overly broad and seeks only generic records that are not relevant to the law enforcement investigation. The SEC has established that it is conducting a legitimate law enforcement investigation into alleged violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. The SEC has also established that the requested

records are relevant to that investigation because they may enable the SEC to trace the transfer or improper use of the inventors' funds. Specifically, the requested bank records may assist the SEC in verifying whether Bellatalia received proceeds from the stock offerings under investigation and in ascertaining how those proceeds were used or dispensed.

Finding that the SEC has demonstrated that it is conducting a legitimate law enforcement investigation and that the subpoenaed records are relevant to that inquiry, the Court is required to deny the Motion to Quash. *See Sandsend Financial Consultants, Ltd. v. Federal Home Loan Bank Bd.*, 878 F.2d 875, 877 (5th Cir. 1989) (quoting 12 U.S.C. § 3410(c)). Accordingly, it is hereby

ORDERED that the Motion to Quash [Doc. # 1] is **DENIED**.

SIGNED at Houston, Texas, this **16th** day of **August, 2005**.


Nancy F. Atlas
United States District Judge